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National Strategic Review of Food Security and Nutrition in Iraq Towards Zero Hunger

Summary Report



August 2018

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FOREWORD BY DR MEHDI AL-ALAK
SECRETARY GENERAL COUNCIL OF MINISTERS
GOVERNMENT OF IRAQ

The Government of Iraq has committed to the 17 agreed Sustainable Development Goals (SDGs). These SDGs will provide the foundation of the Government's development efforts up to the year 2030.

One of the key SDGs is SDG 2 which aims to "end hunger, achieve food security and improved nutrition and promote sustainable agriculture". This National Strategic Review of Food Security and Nutrition in Iraq, was undertaken under the overall guidance of an Inter-ministerial Advisory Committee comprising relevant Government institutions, with the strong help and support of our key development partners led by the World Food Programme. I would like to place on record the appreciation of the Government of Iraq for their efforts.

The five action pillars proposed by the Review have been endorsed by the Government at a meeting held at the Office of the Council of Ministers on 10 May 2018. These pillars are:

- ⇒ Improving safety net instruments
- ⇒ Enhancing sustainable agricultural production
- ⇒ Addressing the double burden of poor nutrition
- ⇒ Increasing employment especially among youth and women
- ⇒ Reforming marketing, trade and pricing policies

The implementation of the recommendations of the Review will be overseen by specific Ministries in line with their mandates. The overall coordination, as well as budgetary and financial aspects, will be the responsibility of the Council of Ministers. The Advisory Committee, set up to guide the preparation of this Strategic Review, will continue to meet to assess progress and address issues.

The Government of Iraq looks forward to strong support from its development partners. In particular, we look forward to assistance in ensuring that the design of various interventions draws on international best practices and uses the latest technologies and management methods. The Government would also request that institutions and agencies preparing their strategies, programmes and projects give due attention to the findings and recommended actions set out in this Review.



FOREWORD BY MS SALLY HAYDOCK
REPRESENTATIVE AND COUNTRY DIRECTOR
WORLD FOOD PROGRAMME - IRAQ

As part of its corporate efforts to help countries achieve the SDGs, the World Food Programme, along with other development partners, is supporting the preparation of Strategic Reviews of Food Security and Nutrition around the world.

Iraq has been a major country of operation for WFP and much of this past assistance has been directed to meeting the emergency food needs of those affected by conflict and economic crises. However, conditions are rapidly returning to normal, and the Government of Iraq is taking the lead in setting medium to long term development policies, programmes and projects. Given this situation, discussions were initiated with the Government about a strategic review to assess issues related to food security and nutrition in the context of the Sustainable Development Goals. Accordingly, an Advisory Committee comprising key ministries and institutions was set up with Dr. Mehdi al-Alak, Secretary General of the Council of Ministers as the Chair to guide and oversee the preparation of the review. The International Center for Agricultural Research in the Dry Areas (ICARDA) provided technical support to the preparation of the Review.

During the preparation of the Review, various consultative workshops and meetings were undertaken with stakeholders as well as development partners, including FAO, UNDP and the World Bank. These consultations were critical in formulating the Review and in building consensus regarding the proposed actions.

It is expected that the findings and recommendations of the Review will guide government policies and actions, as well as the programmes and projects of development partners. In particular, the Review would provide a sound basis for the preparation of the Agriculture and Food Security Policy by the National Food Security Committee, which was set up in February 2017 under the guidance of the Minister of Agriculture.

The WFP stands ready to continue its close collaboration with the Government of Iraq to address food security and nutrition in order to end hunger in the country by 2030.



CHAPTER 1: INTRODUCTION

The Government of Iraq has committed to the internationally agreed Sustainable Development Goals (SDGs), including SDG 2 which aims to “end hunger, achieve food security and improved nutrition and promote sustainable agriculture”. The National Strategic Review of Food Security and Nutrition was undertaken to formulate a set of policies, institutional changes and investments to achieve SDG 2. Work on the Review was undertaken under the leadership of Dr. Mehdi al-Alak, Secretary General of the Council of Ministers. An Advisory Committee comprising relevant Government institutions helped guide the process and review the various proposed actions. Work was coordinated with the efforts of the National Food Security Committee, which was set up in February 2017 under the guidance of the Minister of Agriculture.

Work on the Review was initiated in January 2018 with a literature review by ICARDA who were appointed as the technical institution. Subsequently, a team comprising experts from ICARDA worked in Iraq in February 2018. An initial round of discussions with the Council of Ministers, the Advisory Board, technical experts from concerned ministries and development partners, along with a review of existing literature, helped identify key action areas needed to achieve SDG 2. A second mission on 28 March 2018 conducted a workshop with the Advisory Board and key stakeholders to validate the findings, with a particular emphasis on the recommendations, key strategic options, priority action areas and estimated costs. A final workshop held on 10 May 2018 endorsed the main action areas and cleared the way for the finalization of the Review.

Discussion with the Government through the Review process found a strong appetite for change and reform; and Ministers and senior officials in concerned Ministries were keen to engage in a highly proactive manner. This reflects a strong consensus that Iraq needs to move to the next stage of recovery and the goals and objectives set out in SDG 2 are an essential part of this process.

The World Food Programme (WFP), Food and Agriculture Organization (FAO) of the United Nations and other development partners provided help and support throughout the strategy formulation process. The work of ICARDA and costs of various missions, meetings and workshops was supported by the WFP.

CHAPTER 2: THE CURRENT SITUATION FOOD AND NUTRITIONAL SECURITY IN IRAQ

Iraq has made significant progress on several human development and health indicators. Per capita GDP has also been growing at a modest but steady rate of around 4% per year in constant prices. Overall food supplies are adequate – both in terms of calories and protein – with average dietary energy supply standing at 110% of adequacy level for the period 2014-2016, and an average protein supply of around

65 gram/capita/day.

However, there continue to be challenges with respect to food security and nutrition. The number of undernourished people increased from 6.5 million persons in 2002 to 10.1 million persons in 2016. Similarly in 2016, 53.20% of households were vulnerable to food insecurity, compared to only 9.40% in 2008. Due to the recent crisis, conflict and destruction by ISIL, there is also a high child wasting rate with poor nutrition status among children aged 6-59 months and among women, particularly, those of reproductive age (CFSVA, 2016). Nutrition-related illnesses are also high, particularly among women and children. The prevalence of anemia, iron deficiency, and iron deficiency anemia in children aged 12-59 months was 21.6%, 14.4%, and 6.8% respectively. Younger children were more likely to be anemic, have iron deficiency, and iron deficiency anemia compared to older children. Malnutrition tends to be concentrated in geographic pockets with the poorer and conflict affected Governorates being the most affected. Generally, rural areas had higher wasting and stunting compared to urban areas.

Obesity is an emerging issue in Iraq, posing major risk factors for a number of chronic diseases, including diabetes, cardiovascular diseases and cancer. In 2008, the obesity prevalence in Iraq reached an alarming 22% for men and 36% for women.

Poverty, which is one of the main drivers of food insecurity and malnutrition, remains high. About 22.5% of Iraqis live below the national poverty line estimated at 105,000 Iraqi Dinars (ID) (or USD 84) per month, with the proportion reaching 40% in some areas. In addition, another 30% of the population is extremely vulnerable with a high risk of falling into poverty and food insecurity. On average, Iraqis spend about a quarter of their incomes on food with the proportion being higher among the poor. The availability and price of food items therefore have an important impact on the poor. Poverty tends to be concentrated in some Governorates with highest poverty level - Wasit, Muthanna, Babylon, Kerbala, Diyala and Anbar.

In addition to poverty, conflicts have been a major factor impacting food security. Almost five million persons were internally displaced between 2014 and 2016 with the most affected Governorates being Anbar, Nainawa, Salah Al-deen, Kirkuk, Baghdad and Diyala. Although over 2 million persons have returned, the livelihood systems have yet to be fully restored.

Agriculture accounts for only about 6% of GDP (average 2007-2016) and provides around 20% of employment. Agriculture is the main economic activity in rural areas, but agricultural productivity levels are extremely low (just over 2t/ha for cereals), production of high value crops and livestock products is limited, and local value added activities, such as processing, transport and storage are minimal.

As a result, income and employment levels are limited and, of the 30% of the total population living in rural areas, about

50% are poor. Iraq continues to depend to a large extent on international markets to meet its food needs. In the last year, the main food commodities imported included wheat (US\$1.1 billion), chicken (US\$692 million), sugar (US\$584 million), wheat flour (US\$447 million), and eggs (US\$293 million). Rapid population growth of 2.5% per annum, combined with low and stagnating production imply that reliance on imports are likely to continue to grow. Generally, little attention has been given to the production and processing of high value commodities such as vegetables and fruits for the domestic or export markets - Iraq has a strong advantage in production of dates but as a result of the conflict and neglect of the orchards, exports have fallen to US\$48.6 million.

Iraq has lost 40 percent of its agricultural production since the Islamic State of Iraq and the Levant (ISIL) began occupying some of the most important agricultural areas of the country in 2014. Where ISIL lost territory they tended to follow a scorched-earth policy of destroying infrastructure and supply systems as they retreated. This has resulted in severe damage to agricultural facilities in the regained areas, including damage to food storage and crop processing structures, as well as significant losses of farm machinery, equipment and tools.

The conflict has caused major disruption of livelihoods connected to livestock and fisheries rearing as well. Animals have been looted, sold/slaughtered, stolen or otherwise missing upon the return of internally displaced people (IDPs); and fishponds destroyed. Other factors that have led to the loss of animals and low production levels include: (i) the cessation of breeding and genetic improvement programmes in the country; (ii) infections by different types of animal diseases, such as “peste des petits” ruminants, foot and mouth disease and brucellosis; (iii) the lack of or shortage of pasture and animal feed for livestock and fish; and (iv) ineffective veterinary services.

During the past 30 years, Iraq has shifted from being water secure to a water stressed country. Major factors underlying this include the antiquated water collection, storage and distribution infrastructures resulting in significant losses through evaporation, wastage and leakage; a centralized, control-oriented institutional setup with weak accountability to users, no pricing strategy and a dependency on government financing with limited attention to service standards; and inefficient use of water by farmers due to poor agricultural water distribution grids and management practices. The situation is further complicated due to climate change, with an increase in temperatures resulting in higher rates of water evaporation and increased frequency of droughts and floods ; the lack of agreements with riparian countries on water sharing; and conflict driven destruction of infrastructure.

Other factors driving food and nutrition insecurity in Iraq include high unemployment rates, which counts for about 13% at national level with youth employment at approximately 23%; lack of livelihoods and chronic poverty

among Internally Displaced People (IDPs); and disparities in income distribution; poor consumption and lifestyle choices with limited use of fresh fruit and vegetables.

Gender inequality and gender inequity remain critical issues due to the female role in nutrition and food security. The denial of equal learning opportunities impact the ability of young girls and women to maintain independent and sustainable livelihoods. Low literacy rates and a lack of empowerment opportunities are factors driving high population growth, which is reflected in large family sizes, high economic dependency rates, and a high proportion of children born to adolescent girls.

Widespread Government intervention in food systems also discourages the development of a competitive private agricultural sector, transparent markets and diversified smallholder farming systems. The Government pays high prices for some domestic crops, which distort farmer incentives. In the livestock sector, large feed subsidies are provided but imports remain high for some commodities such as milk and poultry. The Public Distribution System, which was designed to provide a minimal food basket to all citizens has for a number of years not been able to fulfill expectations. The food basket is now limited to only four commodities - wheat flour, rice, sugar and cooking oil. However, due to budgetary constraints even these commodities cannot be provided throughout the year. Moreover, the quality of some PDS commodities such as wheat flour is poor and richer households often sell their supplies.

[ONGOING GOVERNMENT DEVELOPMENT EFFORTS RELEVANT TO SDG2](#)

Various national key strategies have significant schemes and programs related to the achievement of SDG 2. These include:

- **[NATIONAL NUTRITIONAL STRATEGY 2012-2021:](#)** This strategy was developed in collaboration with the Ministry of Health, the Nutritional Research Institute and several concerned Ministries with the support of the World Health Organization and UNICEF. The objective of the strategy is to improve the nutritional status of the population throughout their life cycle. It focuses on five pillars: i) malnutrition; ii) micronutrients; iii) obesity and non-traditional diseases; iv) food security; and v) food safety. The main recommendations from this strategy are to enhance the allocation of financial and human resources to address the double burden of nutrition; strengthen monitoring and surveillance systems to monitor progress in achieving the Millennium Development Goals; and enhance public hygiene practices.
- **[NATIONAL POVERTY REDUCTION STRATEGY 2018-2022:](#)** Under the auspices of the Ministry of Planning and with the support of the High Committee for the Poverty Reduction Strategy, and the World Bank, this

strategy was launched in January 2018. The strategy builds on its predecessor (2012-2015) and provides a road map for specific interventions at different levels, including recommendations for financial commitments. The total budget estimated to implement the planned actions is USD 3.393 billion, with USD 2.083 billion expected to be international grants.

- **SOCIAL PROTECTION LAW (LAW 11 OF 2014):** This new law, established poverty as the main eligibility criteria for cash transfers (and overall social assistance) with a well defined process for identifying the poor which would reduce errors of inclusion and exclusion. Where data on income or wealth are not available, other indicators, or “proxies,” such as household size, household conditions, and ownership of durable goods, would determine eligibility. The law established a Social Protection Commission to oversee implementation of the reforms.
- **AGRICULTURE AND FOOD SECURITY POLICIES:** Approaches for agriculture and food security are set out in a number of different policies and plans.
 - **THE AGRICULTURAL NATIONAL DEVELOPMENT PLANS (2018-2022)** proposed a set of actions to enhance agricultural productivity. These include investments in social and economic infrastructure, land reclamation, research and genetic improvements of plants and livestock and agricultural and veterinary services; support to private sector investments by developing adequate financial markets and credit policies, the creation of joint public/private sector enterprises; temporary protection to agricultural inputs and outputs to enable the private sector to become competitive with imported products; attention to the problems of international water rights and internal water allocation, introduction of modern irrigation methods, and the rehabilitation and maintenance of the irrigation and drainage infrastructure; and Increasing agricultural productivity with improved technologies and modern extension methods.
 - **THE MINISTRY OF AGRICULTURE PLAN (2009–2015)** outlined a two track approach of (i) rehabilitation of essential infrastructure — especially rehabilitation of agricultural land to reduce salinity through better land and water resources management; and (ii) improved agricultural extension and the introduction of technological innovations. Wheat, date palms, potatoes, cattle and poultry are considered first priority; and rice, vegetables and maize are considered a second priority.
 - **NATIONAL FOOD SECURITY STRATEGY (UNDER PREPARATION).** A National Food Security

Committee (NFSC) was established in 2017 under the leadership of the Ministry of Agriculture and the participation of concerned ministries and agencies. The Committee has adopted a “Road Map” setting out coordinated actions by main stakeholders to address hunger and malnutrition in Iraq. It includes the following priorities: i) enhance technical capacity of the ministries and agencies involved in the food security issues; ii) draft the national food security strategy; iii) develop a national early warning system, and iv) prepare programme and projects for rehabilitation of the agricultural sector in affected governorates.

- **POLICY AND PROGRAMMES FOR YOUTH AND WOMEN:** The rights of Iraqi youth, both male and female, to work, equal opportunity, and engagement in social and political activities is emphasized in Article 22 of the 2005 Iraqi Constitution. Iraq national efforts to tackle youth unemployment focus on enhancing opportunities and responding to challenges related to youth development through the following policies: the National Employment Policy 2010–2014; the National Development Plan 2018–2022; and the National Youth Strategy 2013–2020. These policies provided a promising foundation for the strengthening of Iraq’s youth capacity, especially of those marginalized, in the attempt to transform the government’s role into a constructive one that realizes the potential of youth empowerment. On the other side persisting high unemployment rates and low prospects for decent jobs still put many young people at risk of falling into a spiral of violence. In addition, the high unemployment rate of educated youth highlights the need to rethink the way education is delivered, so that entrepreneurship skills are also provided.

The main providers of the Technical and Vocational Education and Training (TVET) sector in Iraq are the General Directorate of Vocational Education (GDVE) in the Ministry of Education, the Foundation of Technical Education, and the Ministry of Labour and Social Affairs (MoLSA). GDVE is responsible for vocational schools offering training and equipment to secondary schools (grade 12). The Foundation of Technical Education of the Ministry of Higher Education and Scientific Research is in charge of technical education at higher levels. The Directorate of Employment and Training of MoLSA has the mandate to carry out the training and further education of unemployed youth and adults. It has access to Skill Centers for the purpose of training the above-mentioned target groups. These Skill Centers offer non-formal trainings beyond the formal educational system under the Ministry of Education. Additional measures adopted by the government, including the adoption of temporary contracts, are aimed at reducing unemployment rates. Further Iraq employment policy and provisions in place include:

- Draft of the Iraqi Labour Code, which was adopted at the national level in 2015, following the 2011 National Employment Policy.

- Technical assistance framework agreed upon between the ILO and the MoLSA focuses on job creation through private sector development, broadening social security coverage, freedom of association, social dialogue, the implementation of the National Employment Policy, actuarial studies, international labour standards, and the reform of legislation.

CHAPTER 3: ACHIEVING SUSTAINABLE DEVELOPMENT GOAL 2

Technical assessments and the consultation process within Government and with development partners suggest that in order to achieve SDG2, actions will be needed in five distinct but interrelated areas. These are: (i) improving safety net instruments; (ii) enhancing sustainable agriculture production; (iii) addressing the double burden of poor nutrition; (iv) increasing employment, especially among youth and women; and (v) reforming marketing, trade and pricing policies. The five action areas are described below.

KEY ACTION AREAS

In order to achieve SDG 2, the Government intends to initiate actions under five pillars. These are briefly set out below:

1. IMPROVING THE FOOD SAFETY NET

The Government will work to establish an efficient and effective food safety net with a strong focus on the poor. This would be in line with the Social Protection Law No.11 of 2014. This would require that the two major existing safety nets – the Public Distribution System (PDS) and Social Safety Net (SSN) – be merged. Key actions will include preparing lists of the poor and vulnerable, building on the lists and selection and review systems already in place; provision of a more complete and nutritionally balanced food basket in place of the rather limited set of products currently supplied; a move from physical supply to cash transfers or vouchers, where appropriate and building on the experience of ongoing pilot projects and international experience; a stronger link with agriculture to promote more nutritionally important crops; and better monitoring and evaluation through an interministerial unit, which will primarily focus on SDG 2.1 (end hunger and ensure access by all people, particularly the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round) and SDG 2.2 (end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons).

The change will be phased over a three-year period and would have an investment cost of about US\$3.5 million over one year and a recurrent cost of US\$2 billion for operating the reformed food distribution/ cash transfer programme.

The key ministries currently involved in the PDS and the SSN –

the Ministries of Planning, of Trade, and of Labor and Social Affairs will take the lead in the change process. Other ministries and institutions would however also play a critical role in specific action areas. Thus the Ministry of Health will help define nutritionally suitable food baskets, and the Ministry of Agriculture with building links between procurement and domestic production. Civil society will be closely involved in the creation of lists of eligible households.

2. ENHANCING SUSTAINABLE AGRICULTURAL PRODUCTION

This pillar will include a short to medium term (3 year) programme to revive agriculture in conflict-affected areas and a longer term (5 year) programme to relaunch agriculture across the country. The first programme will primarily focus on repair and rehabilitation of irrigation systems damaged by conflict or poor maintenance, as well as on-farm buildings and structures. Small and medium works such as diversion structure, canals and pumping stations will be funded through cash or food for work programmes. Support to farmers and livestock breeders would also be provided for the restarting of production systems through provision of grants and loans for inputs, machinery and livestock, and by helping them link with markets.

The five year programme will aim at creating a more productive, climate smart and resilient agricultural production system nation-wide. Of particular importance would be the improvements of infrastructure, particularly irrigation and drainage systems and farm-to-market roads, as well as further development of viable and sustainable water management policies and practices, as well as promotion participatory management through water users' associations. Irrigation and drainage development will be accompanied by discussion on water sharing with neighboring countries. Agriculture and rural institutions, including those for research, extension and regulatory functions would be strengthened with a focus on creating a diversified production system with an emphasis on high value crops, local processing and value chain development. There will be a concerted effort to develop and promote crops and production techniques that are suitable for the expected climate change scenarios facing Iraq. Regulatory systems should focus on ensuring quality inputs to farmers and livestock producers, and supply of safe and hygienic products to consumers. Enhanced production will be supplemented with investment, under public private partnerships (PPP) to develop market and logistics infrastructure, including transport and storage facilities; and with concerted efforts to train farmers and other value chain operators on proper transport, storage and marketing of produce. In order to create a more favorable environment for private sector investment in agriculture, relevant laws and regulations, including on land registration, ownership and leasing/renting will be reviewed and changed, if needed. Efforts will be made to work with banks and other finance institutions to increase the availability of credit to farmers, particularly those diversifying to high value crop and livestock products, as well as to operators along the value chain.

A special programme will be launched for protection of natural resources, particularly soil and water, in “environmental hot spots” - areas where degradation is rapid and is having widespread geographic or ecological impacts.

Lastly, a Monitoring Unit will be established in the Ministry of Agriculture which will collect and compile data on progress on SDG 2. This data and analysis will be shared with the Ministry of Planning which is in charge of overall progress on SDGs.

Investment costs for the three-year rehabilitation programme in the conflict affected areas are estimated at an average annual level of US\$200 million. Of this some 50% would be for repair and rehabilitation of infrastructure. For the five year agriculture development programme, annual investment costs are estimated at just over US\$1 billion. Of this about 70-80% would come from the private sector under PPP modalities or from the financial sector in the form of credit.

The Ministry of Agriculture and the Ministry of Water Resources will be the key agencies involved in implementation of Pillar 2 with support as needed from the Ministry of the Environment and the Ministry of Planning. In the case of small-scale works, the Governorates and local authorities will play a critical role. Banks, other financial institutions and the private sector will be the main drivers for enhancing the flow of investments into production and processing; universities and colleges working on agriculture will be important for the research and extension effort.

3. ADDRESSING THE DOUBLE BURDEN OF POOR NUTRITION

This pillar will take a two pronged approach to address nutrition issues – a target three year programme for vulnerable and conflicted-affected households focusing on the six most nutritionally vulnerable governorates Wasit, Muthanna, Babylon, Kerbala, Diyala and Anbar; and a country-wide programme which would take a nutrition-sensitive, integrated approach.

The agricultural sector can play an important role by redirecting production towards nutrition-rich vegetables, fruits, livestock, dairy and poultry products. Special consideration should be given to smallholder farmers in the resumption of agriculture production, and through the forming marketing groups.

The programme to address nutritional deficiencies in conflict-affected and vulnerable areas will provide school meals, as well as mother and child nutrition activities. The latter will be provided through community-level actions and would be integrated with actions of other ministries and local authorities to enhance health, education and other basic services. Where appropriate, seed kits and training will be provided to establish kitchen gardens, including in urban areas where techniques for producing vegetables and other nutritious food on roofs and terraces are now available.

At the same time, a well designed school feeding programme will be put in place nationally with effective oversight and coordination. This would be complemented by other actions

at school level to improve hygienic conditions and improve the curricula to raise awareness of food, nutrition and health. A national awareness building campaign will also be launched about the importance of diversified and nutritious diets; eating seasonal and local products; access to clean drinking water and hygiene; adequate food preparation and storage; and exercise and a healthy lifestyle.

Costs of the programmes will be mostly for recurrent expenses related to the school feeding and supplementary nutrition actions – around US\$200 million – with about US\$3 million for the awareness building campaign. Investment costs – around US\$14 million – would be mostly related to establishing the programmes and for creating various health and hygiene facilities in schools.

The Ministries of Education and Health, along with local authorities and community organizations, will take the leading role in the school feeding and supplementary feeding programmes. In the case of production related action, such as school and kitchen gardens, the Ministry of Agriculture will also be involved.

4. INCREASING EMPLOYMENT ESPECIALLY AMONG YOUTH AND WOMEN

A targeted five-year programme will be put in place for creating greater employment for youth, women and smallholder farmers in both rural and urban areas. Priority will be given to poorer governorates, areas of high youth unemployment, and where there are large number of “returnees”.

- Actions will be launched to strengthen skills of young people and women in urban and rural areas and for smallholder farmers through vocational training and business incubators, including mobile incubators for rural areas. This will be complemented by a formal 1-2 year diploma programme for school leavers in rural area that would focus on practical skills in crops, livestock and fishery production; management of farm and irrigation equipment; and construction and management of storage and marketing infrastructures and facilities. In urban areas the focus would be on establishing and managing food processing, marketing and catering businesses. There would be a strong emphasis on business management. Students graduating from the diploma programme will be eligible for loans from an investment fund (see below).

- An Agriculture and Rural Investment Fund will be established to help small and medium sized businesses. The fund, to be designed based on international best practices, would have both credit and promotional functions, and would support establishment of small and medium scale enterprises related to on- and off-farm activities including production of high value commercial crops; equipment and machinery rental units; processing, packing and transport activities, including in urban areas.

- Annual investment costs over a five-year period for the above activities will be almost US\$ 70 million. The bulk of this would be for building up the Investment Fund with relatively small amounts for development of the vocational training programmes and the diploma course. Most of the funds for the Investment Funds will be raised from the capital market and from the banking sector. Recurrent costs would be about US\$8 million for the training and education programmes and for the promotional activities of the Investment Fund.

The Ministry of Labour and Social Affairs will take the lead on the training and education programmes working closely with the Ministry of Education and the Ministry of Agriculture. The Ministry of Finance will be the lead agency for the establishment of the Investment Fund with assistance provided by the Ministries of Labour and Social Affairs and of Agriculture, particularly with regard to the technical and promotional aspects.

5. REFORMING MARKETING, TRADE AND PRICING POLICIES

A review of the current trade and marketing policies will be conducted with a view to formulating a set of reforms aimed at the creation of a trade, marketing and pricing system that encourages efficient agricultural production in line with Iraq's comparative advantage. Over the coming years, three major reviews will be undertaken with a set of changes formulated, discussed with stakeholders and presented for implementation to the concerned policy making bodies. The first two are related to international trade policies for agriculture products; and domestic agriculture marketing and pricing policies. The third review would be to formulate a domestic tax and subsidies policy that would help smallholder farmers to diversify into production of high value crops livestock, dairy, and poultry and fishery products; adopt climate smart practices; and move into value chain development.

The annual cost of the three reviews, along with associated consultation processes and the formulation of the reforms package, will be about US\$3 million. The recurrent costs associated with a revised tax and subsidy program is estimated at US\$2 million.

CHAPTER 4: OVERALL COST ESTIMATES

The implementation of the five pillars areas is expected to require an average annual investment cost of USD 1.3 billion. The bulk of this – over 90% - is for rehabilitating and enhancing agriculture through repairing and upgrading infrastructure and channeling credit to farmers for inputs, machinery and equipment, adaptation to climate smart agriculture and water management; with the other major investment cost item being the establishment of the agriculture and rural investment fund. Other investment costs relate to creating an efficient system for the monitoring and evaluation of the social safety net; for awareness creation in

addressing the double burden of food insecurity; for training youth and women; and for trade and pricing policy reviews.

ESTIMATED INVESTMENT AND RECURRENT COSTS

In addition to investment costs, annual recurrent costs would be some US\$ 2.4 billion. The bulk of this – some 85% - would be to cover the operational costs of the Social Safety Net. Other significant recurrent costs are related to the operation and maintenance of public sector infrastructure and for the school feeding program.

It is expected that the Government will cover a significant proportion of the investment costs, particularly for the repair and rehabilitation of agriculture and rural infrastructure. Enhanced credit for farming and for the establishment of the agriculture and rural investment fund – accounting for almost 60% of investment - would be funded by the financial sector. In addition, strong efforts will be made to involve the private sector – both domestic and international – through various public-private partnership programmes and joint ventures. In the case of recurrent costs, this would have to be entirely borne by the government. The US\$2 billion for the operation of the reformed Social Safety Net would be significantly less than what the Government has spent in the past on the Public Distribution Scheme when annual expenditures were around US\$4-5 billion.

	Annual Investment Costs	Recurrent Costs
	US\$ million	
Improving safety net instruments. Of which:	3.5 (1 year)	2,002
Operation of the Reformed Food Safety Net		2,000
Enhancing sustainable agriculture production. Of which:	1,241 (3-5 years)	72
Rehabilitation of Agriculture in Conflict Affected Areas	200 (3 years)	-
Creation of productive, climate smart and resilient agricultural production system	340 (5 years)	71
Supply of credit to farmers	700 (5 years)	
Addressing the double burden of poor nutrition	14.1 (3-5 years)	281
School Feeding in Conflict Affected Areas (0.2 million children)	-	64
School Feeding in Other Areas (0.5 million children)	-	160
Increasing employment, especially among youth and women	79 (5 years)	11
Creation of agriculture and rural investment fund	65 (5 years)	4
Reforming marketing, trade and pricing policies	3 (3 years)	2
TOTAL	1,340.6	2,368

OVERSIGHT ARRANGEMENTS

Implementation of the different pillars and actions will be overseen by specific Ministries in line with their mandates. Where appropriate, the involvement of Governorates, local administration, universities and civil society will be also sought.

Overall coordination, as well as budgetary and financial aspects, will be overseen by the Council of Ministers, preferably through the office of the Secretary General. The Advisory Committee, set up to guide the preparation of this Strategic Review, will continue to meet under the leadership

of the Secretary General of the Council of Ministers to assess progress and address issues. The Advisory Committee will, however, be expanded to include representatives of Governorates, private sector and civil society. The SDG 2 Monitoring Unit in the Ministry of Agriculture will act as Secretariat to the Advisory Group and the Secretary General.

CHAPTER 5: ROLE OF DEVELOPMENT PARTNERS

The Government looks forward to strong support and assistance from its development partners for the implementation of various actions needed to achieve SDG2. Assistance will mainly relate to technical aspects and in particular to ensure that the design of various interventions draw on international best practices and use the latest technologies and management methods.

The Government would also request that institutions and agencies preparing their strategies, programmes and projects give due attention to the findings and recommended actions set out in this Review.



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